

## Message Text

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PAGE 01 STATE 062084  
ORIGIN EB-08

INFO OCT-01 EUR-12 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00  
COME-00 DODE-00 DOE-11 H-01 INR-10 INT-05 L-03  
NSAE-00 OMB-01 PM-05 OES-07 SP-02 SS-15 STR-07  
TRSE-00 ACDA-12 NSCE-00 SSO-00 USIE-00 INRE-00  
DOEE-00 /108 R

DRAFTED BY EB/ORF/FSE:PBARBIAN  
APPROVED BY EB/ORF:SBOSWORTH  
EUR/CAN:JROUSE  
EB/FSE:DHART

-----060020 101922Z /64

O 101851Z MAR 78  
FM SECSTATE WASHDC  
TO AMEMBASSY OTTAWA IMMEDIATE

C O N F I D E N T I A L STATE 062084

E.O. 11652: GDS

TAGS: ENRG, CA

SUBJECT: CAPITAL COST OF THE NORTHERN GAS PIPELINE

REFERENCE: STATE 60183

1. EMBASSY IS REQUESTED TO DELIVER TO THE NEB THE LETTER CONTAINED IN REFTEL, AND TO SEEK GOC AGREEMENT WITH THE POSITION DESCRIBED IN THE LETTER. AS PART OF THE AGREEMENT, THE U.S. SIDE WANTS THE FOLLOWING FOOTNOTE TO BE ADDED TO ANNEX III OF THE AGREEMENT ON PRINCIPLES.

2. BEGIN TEXT OF FOOTNOTE: THE CAPITAL COSTS INCLUDED IN THIS TABLE INCLUDE NORMAL PIPELINE COSTS INCURRED IN CONSTRUCTING GAS PIPELINE FACILITIES IN CANADA, EXCEPT THOSE SPECIFICALLY EXCLUDED IN THE PROVISIONS OF THIS  
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ANNEX, AND INCLUDE SUCH ITEMS AS AN ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION AS WELL AS AN ALLOWANCE ON AND RECOVERY OF REGULATORY MONITORING COSTS, PROVIDED, HOWEVER, THAT REGULATORY MONITORING CHARGES SHALL NOT EXCEED 0.7 OF ALL OTHER ALLOWED CAPITAL COSTS. END TEXT.

3. THE FOOTNOTE SHOULD BE PART OF THE TABLE ENTITLED

"FILED CAPITAL COSTS FOR THE PIPELINE IN CANADA" WHICH  
APPEARS ON PAGE 77 OF THE PRESIDENT'S SEPTEMBER 1977

"DECISION AND REPORT TO CONGRESS ON THE ALASKA NATURAL  
GAS TRANSPORTATION SYSTEM". THE SAME TABLE APPEARS ON  
PAGE 44 OF CANADIAN BILL C-25. THIS TABLE WILL BE  
AMENDED TO INCLUDE A NEW COLUMN FOR THE 56-INCH PIPE.  
THE FOOTNOTE WILL APPLY TO THE NEW COLUMN. VANCE

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COSTS, PIPELINES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 10 mar 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978STATE062084  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** PBARBIAN  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780108-0866  
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**From:** STATE  
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**Image Path:**  
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**Litigation History:**  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 STATE 60183  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
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**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3369274  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CAPITAL COST OF THE NORTHERN GAS PIPELINE  
**TAGS:** ENRG, CA  
**To:** OTTAWA  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/d392acc9-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014